



# City of West University Place

*A Neighborhood City*

## **CITY COUNCIL**

Susan Sample, Mayor  
Bob Kelly, Mayor Pro Tem  
Burt Ballanfant, Councilmember  
Brennan Reilly, Councilmember  
Mardi Turner, Councilmember

## **STAFF**

M. Christopher Peifer, City Manager  
Alan Petrov, City Attorney  
Thelma Lenz, City Secretary

## **City Council Meeting**

**Notice is hereby given of a regular meeting of the City Council of West University Place** to be held on **Monday, December 14, 2015**, beginning at **6:30 p.m.** in the **Municipal Building**, 3800 University Boulevard, West University Place, Texas, for the purpose of considering the following agenda items.

All agenda items are subject to action. The City Council reserves the right to meet in a closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

---

Call to Order  
Pledge of Allegiance  
Matters related to the notice of this meeting

### **1. Public Comments**

This is an opportunity for citizens to speak to Council relating to agenda and non-agenda items. If the topic the speaker wishes to address is on the agenda, the speaker can either speak at this time or defer his/her comments until such time the item is discussed. Speakers are advised that comments cannot be received on matters which are the subject of a public hearing once the hearing has been closed. Speakers are required to register in advance and must limit their presentations to three minutes each.

### **2. Authorizing Issuance of Refunding Bonds**

Matters related to the issuance of Refunding Bonds. *Recommended action: Approve an ordinance authorizing the issuance of Permanent Improvement Refunding Bonds, Series 2016, for the City of West University Place. Ms. Rhonda Daugherty, Finance Director* [see Agenda Memo 2]

### **3. Future Agenda Items**

Matters related to future agenda items. *Discuss and take any desired action. City Council* [see Future Agenda Items List]

### **4. Consent Agenda**

All Consent Agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council member requests in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

### **A. City Council Minutes**

Approve City Council Minutes of the December 7, 2015. *Recommended Action: Approve Minutes. Ms. Thelma Lenz, City Secretary* [see Minutes]

## 5. Adjourn

**In compliance with the Americans with Disabilities Act, if you plan to attend this public meeting and you have a disability that requires special arrangements, please contact City Secretary Thelma Lenz at 713.662.5813 at least 24 hours prior to the meeting so that reasonable accommodations can be made to assist in your participation in the meeting. The Community Building is wheel chair accessible from the west entrance and specially marked parking spaces are available in the southwest parking area. Special seating will be provided.**

I certify that the attached notice and agenda of items to be considered by the West University Place City Council on December 14<sup>th</sup>, 2015 was posted on the Municipal Building bulletin board on December 10<sup>th</sup>, 2015 at approximately 3:30 o'clock p.m.

(SEAL)

  
Thelma A. Lenz, TRMC, City Secretary

**AGENDA MEMO**  
**BUSINESS OF THE CITY COUNCIL**  
**CITY OF WEST UNIVERSITY PLACE, TEXAS**

<b>AGENDA OF:</b>	December 14, 2015	<b>AGENDA ITEM:</b>	2
<b>DATE SUBMITTED:</b>	November 20, 2015	<b>DEPARTMENT:</b>	Finance
<b>PREPARED BY:</b>	Rhonda Daugherty, Finance Director	<b>PRESENTER:</b>	Rhonda Daugherty, Finance Director and John Robuck, BOSC, Inc.
<b>SUBJECT:</b>	<b>Matters related to an ordinance authorizing the issuance of Permanent Improvement Refunding Bonds.</b>		
<b>ATTACHMENTS:</b>	Ordinance		
<b>EXPENDITURE REQUIRED:</b>	N/A		
<b>AMOUNT BUDGETED:</b>	N/A		
<b>ACCOUNT NO.:</b>	N/A		
<b>ADDITIONAL APPROPRIATION REQUIRED:</b>	N/A		
<b>ACCOUNT NO.:</b>	N/A		

**EXECUTIVE SUMMARY**

At the November 16, 2015 council meeting, the city was presented with an analysis of an opportunity to refund the outstanding higher interest rate debt for the Waterworks & Sewer System Revenue Refunding Bonds, Series 2005. These bonds will be refunded as general obligation debt at a lower interest rate resulting in interest cost savings. The \$3,090,000 bonds to be refunded have maturities ranging from 2016 to 2022 at a 4.31% interest rate.

On this agenda, the Council has been asked to approve an ordinance authorizing the sale of Permanent Improvement Refunding Bonds, Series 2016. The refunding is projected to produce a savings of approximately \$176,000, an average annual savings of over \$29,000 for a period of 6 years.

BOSC, Inc. (Bank of Oklahoma Securities Corporation, the broker/dealer portion of Bank of Texas) will be present at the council meeting to present the results of the sale.

**RECOMMENDATION**

Approve an ordinance authorizing the issuance of Permanent Improvement Refunding Bonds, Series 2016 for the City of West University Place.

**Ordinance No. \_\_\_\_\_**

AN ORDINANCE

AUTHORIZING THE ISSUANCE OF

"CITY OF WEST UNIVERSITY PLACE, TEXAS,

PERMANENT IMPROVEMENT REFUNDING BONDS, SERIES 2016";

LEVYING AN AD VALOREM TAX;

AUTHORIZING THE EXECUTION

OF A BOND PURCHASE AGREEMENT,

PAYING AGENCY AGREEMENT;

AND OTHER MATTERS IN CONNECTION THEREWITH.

---

---

CITY OF WEST UNIVERSITY PLACE, TEXAS

ADOPTED DECEMBER 14, 2015

---

---

## TABLE OF CONTENTS

	Page
RECITALS .....	1
ARTICLE ONE THE BONDS .....	2
SECTION 1.1 <i>Authorization and Terms; Purpose</i> .....	3
SECTION 1.2 <i>Redemption.</i> .....	3
SECTION 1.3 <i>Execution, Registration by Comptroller; Delivery, and Dating.</i> .....	3
SECTION 1.4 <i>Registration, Transfer, and Exchange.</i> .....	4
SECTION 1.5 <i>Mutilated, Destroyed, Lost, and Stolen Bonds.</i> .....	5
SECTION 1.6 <i>Persons Deemed Owners.</i> .....	5
SECTION 1.7 <i>Cancellation.</i> .....	6
SECTION 1.8 <i>Book-Entry Only.</i> .....	6
ARTICLE TWO DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION .....	7
SECTION 2.1 <i>Definitions.</i> .....	7
SECTION 2.2 <i>Notices.</i> .....	11
SECTION 2.3 <i>Effect of Headings and Table of Contents; Recitals.</i> .....	11
SECTION 2.4 <i>Ordinance a Contract; Amendments.</i> .....	11
SECTION 2.5 <i>Benefits of Ordinance.</i> .....	12
SECTION 2.6 <i>Repealer.</i> .....	12
SECTION 2.7 <i>Governing Law.</i> .....	12
SECTION 2.8 <i>Severability.</i> .....	12
SECTION 2.9 <i>Public Meeting.</i> .....	13
SECTION 2.10 <i>Authority of Officers.</i> .....	13
ARTICLE THREE FORMS .....	14
SECTION 3.1 <i>Forms Generally.</i> .....	14
SECTION 3.2 <i>Form of Bond.</i> .....	15
SECTION 3.3 <i>Form of Registration Certificate of Comptroller of Public Accounts.</i> .....	19
SECTION 3.4 <i>Form of Certificate of Paying Agent.</i> .....	19
SECTION 3.5 <i>Form of Assignment.</i> .....	20
SECTION 3.6 <i>Insurance Legend.</i> .....	20
SECTION 3.7 <i>Form of Initial Bond.</i> .....	20
ARTICLE FOUR TAXES, REVENUES, AND FUNDS; INVESTMENTS .....	22
SECTION 4.1 <i>Debt Service Fund.</i> .....	22
SECTION 4.2 <i>Deposits to Debt Service Fund; Excess Bond Proceeds.</i> .....	22
SECTION 4.3 <i>Tax Levy.</i> .....	22
SECTION 4.4 <i>Investments and Security For Funds.</i> .....	23

SECTION 4.5	<i>Funding of Defeasance; Redemption of Refunded Bonds.....</i>	28
SECTION 4.6	<i>Use of Proceeds. ....</i>	28
ARTICLE FIVE COVENANTS.....		25
SECTION 5.1	<i>To Maintain Agency.....</i>	25
SECTION 5.2	<i>Covenants to Maintain Tax-Exempt Status.....</i>	25
SECTION 5.3	<i>Remedies in Event of Default.....</i>	29
ARTICLE SIX DEFEASANCE .....		30
SECTION 6.1	<i>Discharge of Obligations.....</i>	30
ARTICLE SEVEN SALE.....		32
SECTION 7.1	<i>Sale of the Bonds; Bond Purchase Agreement. ....</i>	32
SECTION 7.2	<i>Payment of Costs of Issuance. ....</i>	32
ARTICLE EIGHT CONTINUING DISCLOSURE UNDERTAKING.....		33
SECTION 8.1	<i>Definitions.....</i>	33
SECTION 8.2	<i>Annual Reports.....</i>	33
SECTION 8.3	<i>Material Event Notices. ....</i>	33
SECTION 8.4	<i>Limitations, Disclaimers, and Amendments.....</i>	34

AN ORDINANCE AUTHORIZING THE ISSUANCE OF "CITY OF WEST UNIVERSITY PLACE, TEXAS, PERMANENT IMPROVEMENT REFUNDING BONDS, SERIES 2016"; LEVYING AN AD VALOREM TAX; AUTHORIZING THE EXECUTION OF A BOND PURCHASE AGREEMENT, A TRANSFER AND PAYING AGENCY AGREEMENT; AND OTHER MATTERS IN CONNECTION THEREWITH.

RECITALS

1. The City Council (the "Governing Body") of the City of West University Place, Texas (the "Issuer"), a Home Rule city, has heretofore issued its City of West University Place, Texas, Waterworks and Sewer System Revenue Refunding Bonds, Series 2005, (the "Refunded Bonds") described in this Ordinance.

2. The Issuer desires to refund a portion of the Refunded Bonds in advance of their maturities.

3. The Issuer has determined that the refunding contemplated in this Ordinance will benefit the Issuer by providing a present value savings of \$\_\_\_\_\_ in the debt service payable by the Issuer and that such benefit is sufficient consideration for the refunding.

4. Texas Government Code Chapter 1207, as amended, authorizes the Issuer to issue refunding bonds payable from taxes, without an election, for the purpose of refunding the Refunded Bonds in advance of their maturities, in an amount sufficient to provide for the payment or redemption of the Refunded Bonds, and provides that such deposit shall constitute the making of firm banking and financial arrangements for the discharge and final payment or redemption of the Refunded Bonds.

5. The Issuer desires to authorize and provide for the deposit of proceeds of the refunding bonds, together with other funds, to pay the Refunded Bonds.

6. Upon the issuance of the refunding bonds herein authorized and the deposit of funds referred to above, the Refunded Bonds shall no longer be regarded as being outstanding, except for the purpose of being paid pursuant to such deposit, and the pledges, liens, trusts and all other covenants, provisions, terms and conditions of the ordinances authorizing the issuance of the Refunded Bonds shall be, with respect to the Refunded Bonds, discharged, terminated and defeased.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WEST UNIVERSITY PLACE, TEXAS, THAT:

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

ARTICLE ONE  
THE BONDS

SECTION 1.1      *Authorization and Terms; Purpose.*

A.      *Authorization, Designation, Principal Amount, Purpose.* General Obligation Bonds of the Issuer shall be and are hereby authorized to be issued in the aggregate principal amount of \$\_\_\_\_\_to be designated and bear the title "CITY OF WEST UNIVERSITY PLACE, TEXAS, PERMANENT IMPROVEMENT REFUNDING BONDS, SERIES 2016," for the purpose of refunding the Refunded Bonds and to pay costs incurred in connection with the issuance of the Bonds, all pursuant to and in conformity with the Constitution and laws of the State of Texas, including particularly, but not by way of limitation, Texas Government Code Chapter 1207, as amended.

B.      *Denominations, Stated Maturities, Interest Rates.* The Bonds shall be issued as fully registered obligations only in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, and shall become due and payable on February 1 in each of the years and in principal amounts (the "Stated Maturities") and bear interest at the rate(s) per annum in accordance with the following schedule:

<u>Year of Stated Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate (%)</u>
2016	\$790,000	
2017	\$410,000	
2018	\$425,000	
2019	\$410,000	
2020	\$390,000	
2021	\$380,000	
2022	\$365,000	

The Bonds shall bear interest on the unpaid principal amounts from January 1, 2016 at the rate(s) per annum shown above in this Section (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds shall be payable on February 1 and August 1 in each year, commencing February 1, 2016. The Bonds shall have a dated date of April 1, 2012.

C.      *Terms of Payment.* The principal of and the interest on the Bonds, due and payable by reason of maturity or otherwise, shall be payable only to the Registered Owners appearing on the Security Register maintained by the Paying Agent, and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts and shall be without exchange or collection charges to the Registered Owners.

Principal of the Bonds shall be payable at the Stated Maturities only upon presentation and surrender of the Bonds to the Paying Agent at the Place of Payment. Interest on the Bonds shall be paid to the Registered Owners whose name appears in the Security Register at the close



of business on the Record Date and shall be paid by the Paying Agent (i) by check sent United States Mail, first class postage prepaid, to the address of the Registered Owner recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent, requested by, and at the risk and expense of, the Registered Owner.

If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Paying Agent is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date"), which shall be 15 days after the Special Records Date) shall be sent at least five business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Registered Owner of a Bond appearing on the registration books of the Paying Agent at the close of business on the last business day next preceding the date of mailing of such notice.

#### SECTION 1.2           *Redemption.*

The Bonds are not subject to optional redemption prior to maturity.

#### SECTION 1.3           *Execution, Registration by Comptroller; Delivery, and Dating.*

The Mayor of the Issuer shall execute the Bonds on behalf of the Issuer and such signature shall be attested by the Secretary of the Issuer. The signature of either of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who were at the time the proper officers of the Issuer bind the Issuer, notwithstanding that such individuals or either of them cease to hold such offices prior to the certification and delivery of such Bonds. The seal of the Issuer may be reproduced, faxed, or impressed thereon but is not required except as otherwise required under Texas law.

The Mayor of the Issuer is authorized and directed to execute and the Secretary of the Issuer to attest the initial Bond in the name of Cede & Co. The Mayor of the Issuer is further authorized and directed to submit such initial Bond, together with the record of the proceedings authorizing the issuance thereof and any and all other necessary orders, certificates, and records, to the Attorney General of Texas for approval. After the Attorney General has approved such Bonds, the Mayor of the Issuer shall cause such Bonds to be delivered to the Comptroller of Public Accounts of the State of Texas for registration. If requested by the Attorney General or its representatives, or if otherwise deemed necessary to properly evidence the intent of the Issuer in the adoption of this Ordinance, the Mayor or Mayor Pro Tem of the Issuer may make such ministerial changes in the written text of this Ordinance as such officer determines are consistent with the intent and purposes of this Ordinance, which determination shall be final. Upon

registration of the Bonds, the Comptroller is authorized and directed to deliver the Bonds in accordance with instructions of the Mayor of the Issuer. At any time thereafter the Issuer may deliver such Bonds to the Paying Agent together with definitive Bonds to be issued in exchange therefor, and the Paying Agent is directed, within not more than five business days following receipt of instructions from the payee named therein designating the Persons, Stated Maturities, and denominations to and in which such Bonds are to be transferred, register and deliver such definitive Bonds as provided in such instructions. The officers or acting officers of the Governing Body are authorized to execute and deliver on behalf of the Governing Body such certificates and instruments as may be necessary to accomplish or in furtherance of the delivery of the Bonds to and payment therefor by the Purchasers.

All Bonds registered and delivered by the Paying Agent hereunder are to be dated by the Paying Agent the date of their registration.

No Bond is entitled to any right or benefit under this Ordinance, or is valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 3.3, executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent by manual signature, or a certificate of registration substantially in the form provided in Section 3.4, executed by the Paying Agent by manual signature, and either such certificate upon any Bond is conclusive evidence, and the only evidence, that such Bond has been duly certified or registered and delivered.

#### SECTION 1.4            *Registration, Transfer, and Exchange.*

The Issuer shall cause to be kept at the Place of Payment a register (herein referred to as the "Security Register") in which, subject to such reasonable regulations as the Issuer or the Paying Agent may prescribe, the Paying Agent shall provide for the registration of the Bonds and of transfers of the Bonds as herein provided.

Upon surrender or transfer of any Bond at the Place of Payment, the Issuer shall execute, and the Paying Agent shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same Stated Maturity, of any authorized denominations, and of a like aggregate principal amount. New Bonds registered and delivered in an exchange or transfer will be delivered by the Paying Agent at the Place of Payment or sent by United States Mail at the Holder's written request, risk, and expense.

At the option of the Holder, Bonds may be exchanged for other Bonds of the same Stated Maturity, of any authorized denominations, and of like aggregate principal amount, upon surrender of the bonds to be exchanged at the Place of Payment. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute, and the Paying Agent shall register and deliver, the Bonds which the Holder of Bonds making the exchange is entitled to receive.

Every Bond presented or surrendered for transfer or exchange must be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Paying Agent duly executed, by the Holder thereof or his attorney duly authorized in writing.

No service charge may be made to the Holder for any registration, transfer, or exchange of Bonds, but the Issuer or the Paying Agent may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Neither the Issuer nor the Paying Agent is required (1) to transfer or exchange any Bond during a period beginning 45 days prior to a Redemption Date hereunder and ending at the close of business on the day of mailing of a notice of redemption or (2) thereafter to transfer or exchange in whole or in part any Bond so selected for redemption.

#### SECTION 1.5            *Mutilated, Destroyed, Lost, and Stolen Bonds.*

If (1) any mutilated Bond is surrendered to the Paying Agent, or the Issuer and the Paying Agent receive evidence to their satisfaction of the destruction, loss, or theft of any Bond, and (2) there is delivered to the Issuer and the Paying Agent such security or indemnity as they require to save each of them harmless, then, in the absence of notice to the Issuer or the Paying Agent that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and upon its request the Paying Agent shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same Stated Maturity, and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost, or stolen Bond has become or is about to become due and payable, the Issuer in its discretion may pay such Bond instead of issuing a new Bond.

Upon the issuance of any new Bond under this Section, the Issuer or the Paying Agent may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith.

Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Bond constitutes an original additional contractual obligation of the Issuer, whether or not the mutilated, destroyed, lost, or stolen Bond is at any time enforceable by anyone, and the new Bond is entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds.

The provisions of this Section are exclusive and preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Bonds.

#### SECTION 1.6            *Persons Deemed Owners.*

The Issuer and the Paying Agent, and any agent of either, may treat the Registered Owner as the owner of a Bond for purposes of receiving payment of principal and Redemption Price of and (subject to Section 1.3) interest on the Bond and for all other purposes whatsoever, whether or not the Bond is due or overdue, and neither the Issuer nor the Paying Agent, or any agent of either, is affected by notice to the contrary.

## SECTION 1.7 *Cancellation.*

All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent, are to be promptly canceled by it and, if surrendered to the Issuer, are to be delivered to the Paying Agent and, if not already canceled, are to promptly be canceled by the Paying Agent. The Issuer may at any time deliver to the Paying Agent for cancellation any Bonds previously certified and delivered which the Issuer acquires in any manner whatsoever, and all Bonds so delivered are to be promptly canceled by the Paying Agent. No Bond may be certified in lieu of or in exchange for any Bond canceled as provided in this Section, except as expressly provided by this Ordinance. All canceled Bonds held by the Paying Agent are to be disposed of in accordance with the standard document retention policies of the Issuer.

## SECTION 1.8 *Book-Entry Only.*

Notwithstanding the provisions contained in Sections 1.3, 1.4, 1.5, or 1.6 relating to the payment, redemption and transfer/exchange of the Bonds, the Issuer hereby approves and authorizes the use of "Book-Entry Only" securities clearance, settlement and transfer system provided by The Depository Trust Company ("DTC"), a limited purpose trust company organized under the laws of the State of New York, in accordance with DTC's requirements and procedures, and authorizes the Issuer and the Paying Agent to take such actions as are necessary to qualify the Bonds with DTC and to deliver the Bonds through DTC. Pursuant to the rules and procedures of DTC now in effect, the Bonds shall be deposited with DTC (or with the Paying Agent on behalf of DTC) who shall hold said Bonds for its participants (the "DTC Participants"). While the Bonds are so held, the Registered Owner of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the Issuer determines that DTC is incapable of properly discharging its duties as securities depository for the Bonds, the Issuer covenants and agrees with the Registered Owners of the Bonds to cause Bonds to be printed in definitive form and provide for the certificated certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent and payment of such Bonds shall be made in accordance with the provisions of Sections 1.2, 1.3, 1.4, or 1.5.

*[The remainder of this page intentionally left blank.]*

ARTICLE TWO  
DEFINITIONS AND OTHER PROVISIONS OF  
GENERAL APPLICATION

SECTION 2.1      *Definitions.*

For all purposes of this Ordinance, except as otherwise expressly provided or unless the context otherwise requires:

(1)      The terms defined in this Section have the meanings assigned to them in this Section.

(2)      All terms defined herein include the plural as well as the singular.

(3)      All references in this Ordinance to designated "Articles," "Sections," "Exhibits," and other subdivisions are to the designated Articles, Sections, Exhibits, and other subdivisions of this Ordinance as originally adopted.

(4)      The words "herein," "hereof," and "hereunder" and other words of similar import refer to this Ordinance as a whole and not to any particular Article, Section, Exhibit, or other subdivision.

"*Bonds*" means any obligation of the Issuer authorized to be issued by Article One, whether initially delivered or issued in exchange for or upon transfer or in lieu of any Predecessor Bond.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Computation Date*" has the meaning stated in Section 1.148-1(b) of the Regulations.

"*Collection Date*" means, for any year, the date that annual ad valorem taxes levied by the Issuer in that year.

"*Dated Date*" has the meaning stated in Section 1.1(b).

"*Debt Service Fund*" means the special fund of the Issuer created and established by the provisions of Section 4.1.

"*Debt Service Requirements*" means (i) the interest on the Bonds and (ii) a sinking fund for payment of principal of the Bonds at Stated Maturity or earlier redemption or a sinking fund of 2% (whichever amount is greater).

"*DTC*" means The Depository Trust Company, New York, New York, or any successor securities depository.

"*DTC Participant*" means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants

through electronic book-entry changes in the accounts of the DTC Participants, thereby eliminating the need for physical movement of definitive certificates.

"*Fiscal Year*" means the annual financial accounting period for the Issuer as established by the Issuer on or prior to the date of this Ordinance; provided, however, the Governing Body may change such annual financial accounting period to end on another date if such change is found and determined to be necessary for accounting purposes or is required by applicable law.

"*Governing Body*" means the City Council of the Issuer.

"*Governmental Obligations*" means

(1) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States;

(2) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; and

(3) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

"*Gross Proceeds*" means any proceeds as defined in Section 1.148-l(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-l(c) of the Regulations, of the Bonds.

"*Interest Payment Date*" means a date specified in the Bonds as a fixed date on which an installment of interest thereon is due and payable.

"*Investment Property*" has the meaning stated in Section 1.148(b)(2) and (3) of the Code and includes

(1) a share of stock in a corporation or a right to subscribe for or to receive such a share,

(2) any obligation, including United States Treasury bonds, notes, and bills and bank deposits, whether or not certified or interest bearing, but excluding obligations the interest on which is, in the opinion of counsel nationally recognized in the field of municipal bond law, excludable from the gross income of any owner thereof and is not included in computing the alternative minimum taxable income of individuals under the

Code or the Internal Revenue Code of 1954, as amended to the date of issuance of such obligations,

(3) any annuity contract, or any other deferred payment contract acquired to fund an obligation of the Issuer, or

(4) any other property held for investment.

"*Issue Date*" means the date on which Bonds are first registered and delivered to the Purchasers in exchange for the purchase price therefor.

"*Issuer*" has the meaning stated in the Recitals.

"*Maturity*" when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein provided, whether at the Stated Maturity, by call for redemption, or otherwise.

"*Ordinance*" means this Ordinance as finally passed and adopted by the Governing Body or as it may from time to time be supplemented, modified, or amended in accordance with the provisions hereof.

"*Outstanding*" when used with respect to Bonds means, as of the date of determination, all Bonds theretofore issued and delivered under this Ordinance, except, without duplication:

(1) *Canceled Bonds*: Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;

(2) *Gross Cash Defeasance*: Bonds for whose payment or redemption money in the necessary amount has been theretofore deposited with the Paying Agent in trust for the Registered Owner of such Bonds, provided that, if such Bonds are to be redeemed, notice of such redemption has been duly given pursuant to this Ordinance, irrevocably provided for to the satisfaction of the Paying Agent, or waived;

(3) *Replaced Bonds*: Bonds in exchange for or in lieu of which other Bonds have been registered and delivered pursuant to this Ordinance;

(4) *Paid Missing Bonds*: Bonds alleged to have been destroyed, lost, or stolen which have been paid as provided in Section 1.5; and

(5) *Net Cash Defeasance*: Bonds for the payment of the principal (or Redemption Price) of and interest on which money or Governmental Obligations or both are held by the Paying Agent or other bank or trust company and with the effect specified in Section 6.1;

provided, however, that in determining whether the Registered Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent, or waiver hereunder, Bonds owned by the Issuer or any other obligor upon the Bonds

are disregarded and deemed not Outstanding, except that, in determining whether the Paying Agent is protected in relying upon any such request, demand, authorization, direction, notice, consent, or waiver, only Bonds which the Paying Agent knows to be so owned are required to be so disregarded.

"*Paying Agent*" means the corporation named as the "Paying Agent" herein until a successor Paying Agent becomes such pursuant to the applicable provisions of this Ordinance, and thereafter "Paying Agent" means such successor Paying Agent.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

"*Place of Payment*" initially means a corporate trust office of the Paying Agent in the City of Dallas, Texas, established, and thereafter means the city so designated from time to time by the Issuer as the "Place of Payment" with notice to the Registered Owners.

"*Predecessor Bonds*" of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by such particular Bond, and, for purposes of this definition, any Bond registered and delivered under Section 1.5 in lieu of a mutilated, lost, destroyed, or stolen Bond is deemed to evidence the same debt as the mutilated, lost, destroyed, or stolen Bond.

"*Purchaser*" means the initial purchaser or purchasers of the Bonds named in Section 7.1.

"*Record Date*" for the interest payable on any Interest Payment Date means the close of business on the 15th day of the month next preceding such Interest Payment Date.

"*Redemption Date*" means the date fixed for redemption of a Bond pursuant to the terms of this Ordinance.

"*Redemption Price*" means the price specified in the Form of Bond in Section 3.2 as the price at which a Bond may be redeemed pursuant to the terms of the Ordinance.

"*Refunded Bonds*" means a portion of the Issuer's Waterworks and Sewer System Revenue Refunding Bonds, maturing in the years 2016 through 2022, in the aggregate principal amount of \$3,090,000.

"*Registered Owner*" mean the registered owner, whose name appears in the Security Register, for any Bond.

"*Regulations*" means any temporary or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.



"*Security Register*" has the meaning stated in Section 1.4.

"*Stated Maturity*" when used with respect to any Bond means the date specified in such Bond as the fixed date on which the principal of such Bond is due and payable.

"*Yield*" of

(1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and

(2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

## SECTION 2.2        *Notices.*

Where this Ordinance provides for notice to Registered Owners of any event, such notice is sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first class postage prepaid, to each Registered Owner, at the address of such Registered Owner as it appears in the Security Register close of business on the date next preceding the date of mailing such notice. Neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Registered Owner affects the sufficiency of such notice with respect to all other Registered Owners. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver is the equivalent of such notice. Waivers of notice by Registered Owners are to be filed with the Issuer, but such filing is not a condition precedent to the validity of any action taken in reliance upon such waiver.

## SECTION 2.3        *Effect of Headings and Table of Contents; Recitals.*

The section headings herein and in the Table of Contents are for convenience only and do not affect the construction hereof.

The Recitals contained in the preamble hereof are hereby found to be true, and such Recitals are hereby made a part hereof for all purposes and are adopted as part of the judgment and findings of the Governing Body.

## SECTION 2.4        *Ordinance a Contract; Amendments.*

This Ordinance constitutes a contract with the Registered Owners entered into upon the initial purchase of the Bonds, is binding on the Issuer and its successors and assigns whether or not so expressed, and may not be amended or repealed by the Issuer so long as any Bond remains Outstanding except as permitted in this Section.

The Issuer may, without the consent of or notice to any Registered Owner, from time to time and at any time amend this Ordinance in any manner not detrimental to the interests of the Registered Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein or therein. In addition, the Issuer may, with the written consent of the Registered Owners of a majority in aggregate principal amount of the Bonds then Outstanding

affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of the Registered Owners of all of the affected Outstanding Bonds, no such amendment, addition, or rescission may (1) change the Stated Maturity of the Bonds or any Interest Payment Date for an installment of interest thereon, reduce the principal amount thereof, the Redemption Price therefor, or the rate of interest thereon, change the place or places at, or the coin or currency in, which any Bond or the interest thereon is payable, or in any other way modify the terms or sources of payment of the principal of or interest on the Bonds, (2) give any preference to any Bond over any other Bond, (3) modify any of the provisions of the proviso to the definition of the term "Outstanding," or (4) modify any of the provisions of this Section, except to increase the percentage provided hereby or to provide that certain other provisions of this Ordinance cannot be modified or waived without the consent of the Registered Owner of each Bond affected thereby.

Any consent to any amendment hereof by the Registered Owner of any Bond binds every future Registered Owner of the same Bond and the Registered Owner of every Bond issued upon transfer or in lieu thereof or in exchange therefor, in respect of anything done or suffered to be done by the Issuer in reliance thereon, whether or not notation of such action is made upon such Bond.

#### SECTION 2.5        *Benefits of Ordinance.*

Nothing in this Ordinance, expressed or implied, is intended or may be construed to confer upon any Person (other than the Issuer and Registered Owners) any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the Issuer and the Registered Owners.

#### SECTION 2.6        *Repealer.*

All orders, ordinances, and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed and declared to be inapplicable to the extent of such conflict, and the provisions of this Ordinance are controlling as to the matters prescribed herein.

#### SECTION 2.7        *Governing Law.*

This Ordinance is to be construed in accordance with and governed by the laws of the State of Texas and the United States of America.

#### SECTION 2.8        *Severability.*

If any provision of this Ordinance or the application thereof to any Person or circumstance is held to be invalid, illegal, or unenforceable, the remainder of this Ordinance and the application of such provision to other Persons and circumstances is nevertheless valid, legal, and enforceable and the Governing Body hereby declares that this Ordinance would have been enacted without such invalid provision or application.

SECTION 2.9            *Public Meeting.*

The Governing Body officially finds, determines, and declares that notice of the adoption of this Ordinance was posted as required by law at a location within the Issuer in a place readily accessible to the general public at all times for at least 72 hours preceding the scheduled time of the meetings at which this Ordinance is read and approved; that such meetings were open to the public; and that public notice of the time, place, and purpose of such meetings was given as required by Texas Government Code chapter 551, as amended.

SECTION 2.10           *Authority of Officers.*

The Mayor, the Mayor Pro Tem, the Secretary or any assistant secretary, Manager, Attorney, or Director of Finance of the Issuer, or any of them, are authorized to evidence adoption of this Ordinance and to do any and all things proper and necessary to carry out the intent hereof.

*[The remainder of this page intentionally left blank.]*

## ARTICLE THREE FORMS

### SECTION 3.1        *Forms Generally.*

The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be reproduced on the initial Bonds, the Registration Certificate of the Paying Agent to be reproduced on subsequently delivered Bonds, and the form of Assignment to be reproduced on each of the Bonds are to be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance, and the Bonds may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel or notice of insurance) thereon as may, consistently herewith, be determined by the officers executing such Bonds as evidenced by their execution thereof. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond. The Bonds may be printed, lithographed, engraved, typewritten, photocopied, or produced by any combination of these methods, or produced in any other manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof. The initial Bonds submitted to the Attorney General of Texas are to be numbered consecutively T-1 and upward.

*[The remainder of this page intentionally left blank.]*

SECTION 3.2 *Form of Bond.*

Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

REGISTERED  
NO. \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

United States of America  
State of Texas  
CITY OF WEST UNIVERSITY PLACE, TEXAS  
PERMANENT IMPROVEMENT REFUNDING BOND,  
SERIES 2012

Dated Date:	Interest Rate:	Stated Maturity:	CUSIP NO.
January 1, 2016	_____	_____	_____

REGISTERED OWNER: \_\_\_\_\_

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The City of West University Place, Texas (hereinafter referred to as the "Issuer"), a body corporate and political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated, and to pay interest on the unpaid principal amount hereof from the Dated Date specified above at the per annum Interest Rate specified above, computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 1 and August 1 in each year, commencing February 1, 2016 (the "Interest Payment Dates"), and, except as otherwise permitted by the Ordinance hereinafter referred to, to make the payments to the United States of America in the amounts and on the dates therein described when due. Principal of this Bond is payable at its Stated Maturity to the Registered Owner hereof, upon presentation and surrender, at the principal payment office of the Paying Agent executing the Registration Certificate of Paying Agent appearing hereon, which shall initially be The Bank of New York Mellon Trust Company, National Association, or its successor.

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date"), which shall be 15 days after the Special

Records Date, shall be sent at least five business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Registered Owner of a Bond appearing on the registration books of the Paying Agent at the close of business on the last business day next preceding the date of mailing of such notice.

If the specified date for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Paying Agent is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$\_\_\_\_\_ (the "Bonds") for the purpose of refunding certain outstanding obligations of the City of West University Place, Texas, and to pay costs incurred in connection with the issuance of the Bonds, under and in conformity with the Constitution and laws of the State of Texas, including particularly, but not by way of limitation, Texas Government Code Chapter 1207, as amended, and pursuant to an Ordinance adopted by the Governing Body of the Issuer (herein referred to as the "Ordinance").

The Bonds are not subject to optional redemption prior to their scheduled maturity.

The Bonds are equally and ratably payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the Issuer.

Reference is hereby made to the Ordinance, a copy of which is on file with the Paying Agent, and to all of the provisions thereof which the Registered Owner of this Bond by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Registered Owners; the rights, duties, and obligations of the Issuer and the Paying Agent; the terms and provisions upon which this Bond may be redeemed or discharged at or prior to its maturity, and deemed to be no longer Outstanding thereunder; and for other terms and provisions contained therein. A capitalized term used herein and not otherwise defined has the same meaning as the meaning assigned to such term in the Ordinance.

The Ordinance permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Registered Owners of the Bonds under the Ordinance at any time by the Issuer with the consent of the Registered Owners of a majority in aggregate principal amount of such Bonds at the time outstanding affected by such modification. Any such consent by the Registered Owners of this Bond or any Predecessor Bond herefor evidencing the same debt is conclusive and binding upon such Registered Owner and all future Registered Owners of this Bond and of any Bond issued upon the transfer or in lieu hereof or in exchange herefor, whether or not notation of such consent is made upon this Bond.

This Bond, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the principal corporate trust office of the Paying Agent, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent duly executed by, the Registered Owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same Interest Rate, and of the same aggregate Principal Amount will be issued by the Paying Agent to the designated transferee or transferees.

No service charge may be made for any transfer or exchange of this Bond, but the Issuer or the Paying Agent may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

The Issuer, the Paying Agent, and any agent of either of them may treat the Person in whose name this Bond is registered as the Registered Owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Bond be overdue, and none of the Issuer, the Paying Agent, and any such agent is affected by notice to the contrary.

It is hereby certified, recited, represented and declared that the Issuer is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Bonds is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the Issuer have been properly done, have happened, and have been performed in regular and due time, form, and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Bonds do not exceed any Constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Bonds by the levy of a tax as aforesated. In case any provision in this Bond shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

Unless either a Registration Certificate hereon has been executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent or by the Paying Agent, respectively, by manual signature, this Bond shall not be entitled to any benefit under the Ordinance or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be duly executed.

Dated: January 1, 2016

CITY OF WEST UNIVERSITY PLACE, TEXAS

---

Mayor

COUNTERSIGNED:

---

City Secretary

*[The remainder of this page intentionally left blank.]*



SECTION 3.3      *Form of Registration Certificate of Comptroller of Public Accounts.*

REGISTRATION CERTIFICATE OF  
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	
	§	REGISTER NO. _____
THE STATE OF TEXAS	§	

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this \_\_\_\_\_.

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

(SEAL)

**Note to Printer: Not to appear on definitive Bonds**

SECTION 3.4      *Form of Certificate of Paying Agent.*

CERTIFICATE OF PAYING AGENT

This Bond has been duly issued under the provisions of the within-mentioned Ordinance; the Bond or Bonds of the above-entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, NATIONAL ASSOCIATION, as  
Paying Agent

By: \_\_\_\_\_  
Authorized Officer

**Note to Printer: Not to appear on initial Bonds**

SECTION 3.5            *Form of Assignment.*

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee): \_\_\_\_\_

\_\_\_\_\_  
(Social Security or other identifying number: \_\_\_\_\_)  
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

\_\_\_\_\_  
attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: \_\_\_\_\_

Signature guaranteed:

\_\_\_\_\_

\_\_\_\_\_  
NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular.

SECTION 3.6            *Insurance Legend.*

If bond insurance is obtained by the Issuer or the Purchasers for the Bonds, the Definitive Bonds and the Initial Bond(s) shall bear the appropriate legend as provided by the Insurer.

SECTION 3.7            *Form of Initial Bond.*

The Initial Bond shall be in the form set forth in Section 3.2 except that the form of a single fully registered Bond shall be modified as follows:

- (i) immediately under the name of the Bond the headings "Interest Rate \_\_\_\_\_" and "Stated Maturity \_\_\_\_\_" will be omitted, and "CUSIP No." may be omitted;
- (ii) Paragraph one will read as follows:

The City of West University Place, Texas (together with its successors, the "Issuer"), a body politic and political subdivision duly organized and existing under and by virtue of the laws of the State of Texas, for value received, hereby promises to pay to the Registered Owner named above (the "Registered Owner"), or the registered assigns thereof, the hereinabove stated Principal Amount on February 1 in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

Year of  
Stated Maturity

Principal  
Amount

Interest  
Rate (%)

(Information to be inserted from schedule in Section 1.1 hereof.)

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest thereon computed on the basis of a 360-day year of twelve 30-day months to the Person herein specified from the Dated Date specified above, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until such principal is paid or duly provided for on or after each such Stated Maturity or any earlier Redemption Date, semiannually on February 1 and August 1 in each year commencing February 1, 2016 at the per annum Interest Rates specified above, computed on the basis of a 360-day year of twelve 30-day months. Principal installments of this Bond are payable at each Stated Maturity (except the final Stated Maturity) in the same manner as payments of interest, and on any prepayment date and the final Stated Maturity to the registered owner hereof by The Bank of New York Mellon Trust Company, National Association (the "Paying Agent"), upon presentation and surrender, at its designated offices in Dallas, Texas.

ARTICLE FOUR  
TAXES, REVENUES, AND FUNDS;  
INVESTMENTS

SECTION 4.1        *Debt Service Fund.*

To pay interest on and to provide a sinking fund for the payment, redemption, and retirement of the Bonds, the Issuer hereby creates and shall maintain solely for such purposes (subject to the provisions of Section 5.2) a special fund designated as its "PERMANENT IMPROVEMENT REFUNDING BONDS, SERIES 2016, DEBT SERVICE FUND" (the "Debt Service Fund"); notwithstanding anything hereinto the contrary, the Issuer may comingle its Debt Service Funds holding ad valorem taxes securing prior and future Bonds and Obligations in a single Debt Service Fund. The Issuer authorizes and directs its authorized officials to withdraw from the Debt Service Fund and to transfer to the Paying Agent money on deposit in the Debt Service Fund sufficient to pay the amount of principal or interest falling due on the Bonds, such transfer of funds to the Paying Agent to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent on or before the last business day next preceding each interest and principal payment date for the Bonds.

SECTION 4.2        *Deposits to Debt Service Fund; Excess Bond Proceeds.*

The Issuer shall deposit accrued interest and premium, if any, received from the Purchasers and ad valorem taxes levied and collected to pay principal or Redemption Price of or interest on the Bonds to the Debt Service Fund. In addition, the Issuer shall deposit any surplus proceeds, including investment income therefrom, from the sale of the Bonds not expended for authorized purposes to the Debt Service Fund but only if such amount is not comingled with debt service funds related to or used to pay principal or interest of other obligations of the Issuer.

SECTION 4.3        *Tax Levy.*

To provide for the payment of the Debt Service Requirements, the Issuer levies and shall levy for the current year and each succeeding year thereafter while the Bonds or any interest thereon is Outstanding, a sufficient tax on each \$100 of taxable property in the Issuer, adequate to pay such amounts or a sinking fund of 2% (whichever amount is greater), full allowance being made for delinquencies and costs of collection. Such tax shall be assessed and collected each year, and the same may not be diverted to any other purpose. The Issuer shall pay the taxes so levied and collected into the Debt Service Fund. The Governing Body hereby declares its purpose and intent to provide and levy such tax, it having been determined that the existing and available taxing authority of the Issuer for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness.

The Issuer shall determine the amount of taxes to be provided annually for the Debt Service Requirements in the following manner:

A. Prior to establishing the annual tax rate, the Governing Body shall determine:

(1) the amount of Debt Service Requirements to become due and payable on the Bonds between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year; and

(2) the amount on deposit in the Debt Service Fund (including surplus Bond proceeds transferred to the Debt Service Fund under Section 4.2) after deducting therefrom the total amount of Debt Service Requirements to become due on Bonds prior to the Collection Date for the ad valorem taxes then to be levied.

B. The Issuer shall assess and levy annually each year a tax to pay the Debt Service Requirements sufficient to provide tax revenues in the amount established in paragraph (1) above less the sum total of the amount established in paragraph (2), after taking into consideration delinquencies and costs of collecting such annual taxes.

Texas Government Code chapter 1208 applies to the issuance of the Bonds and the pledge of the tax revenues granted hereunder, and such pledge is therefore valid, effective, and perfected. If Texas law is hereafter amended at any time while the Bonds are Outstanding and unpaid so that the pledge of taxes hereunder is subject to the filing requirements of chapter 9, Texas Business & Commerce Code, then in order to preserve to the Registered Owners of the Bonds the perfection of the security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of chapter 9, Texas Business & Commerce Code and enable a filing to perfect the security interest in such pledge to occur.

#### SECTION 4.4        *Investments and Security for Funds.*

The Issuer is required to keep all money in such funds and accounts at a depository of the Issuer except when invested pursuant to this Section. Subject to Section 5.2, money in any fund established by this Ordinance may, at the option of the Issuer, be invested in a manner permitted by the provisions of the Public Funds Investment Act of 1987, Texas Government Code chapter 2256, subchapter A, as then in effect, the Public Funds Collateral Act, Texas Government Code chapter 2257, as then in effect, or by any other law applicable to the Issuer; provided that all such investments must be made so that money required to be expended will be available at the proper time or times. The Issuer shall credit or debit all interest and income or losses from deposits and investments in any fund or account established pursuant to the provisions of this Ordinance shall be credited to such fund or account. The Issuer shall sell investments promptly as necessary to prevent any default in connection with the Bonds.

All money on deposit in the funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and money on deposit in such funds shall be used only for the purposes permitted by this Ordinance.

SECTION 4.5            *Use of Proceeds.*

Proceeds from the sale of the Bonds shall, promptly upon receipt by the Issuer, be applied as follows:

- (a)     Accrued interest on the Bonds shall be deposited into the Interest and Sinking Fund.
- (b)     The balance of the proceeds from the sale of the Bonds less all costs incurred in the issuance of the Bonds, together with other available funds of the Issuer, in the amount of \$\_\_\_\_\_ shall be deposited directly with the paying agent for the Refunded Bonds, in an amount sufficient to pay all principal of and interest on the Refunded Bonds due on the redemption date specified in Section 4.6 below.

SECTION 4.6            *Redemption of Refunded Bonds.*

*Redemption of Refunded Bonds.* The Issuer hereby irrevocably exercises its option to call for redemption, and hereby calls for redemption, on \_\_\_\_\_, 2016, the Series 2005 Bonds, at a price of par plus accrued interest to the date fixed for redemption. The Mayor and the Secretary of the Issuer, or either of them, are authorized and instructed to give or affect notice of such redemption to the paying agent for the Refunded Bonds to be so redeemed and to the holders of such Refunded Bonds in the manner described in such bonds. The Governing Body hereby authorizes and instructs the officers of the Governing Body and the paying agent for the Refunded Bonds, to take such steps as are necessary to accomplish the redemption and the discharge of the Refunded Bonds in accordance with the provisions hereof.

## ARTICLE FIVE COVENANTS

### SECTION 5.1      *To Maintain Agency.*

The Issuer will at all times maintain an agency in the State of Texas meeting the qualifications herein described, for the performance of the duties of the Paying Agent hereunder. The Bank of New York Mellon Trust Company, N.A., is hereby appointed Paying Agent for such purposes. The Paying Agent may be removed from its duties hereunder at any time upon not less than 30 days notice with or without cause by action of the Governing Body entered in its minutes, but no such removal is effective until such successor has accepted the duties of the Paying Agent hereunder by written instrument.

Every Paying Agent appointed hereunder must at all times be a commercial bank or trust company organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$10,000,000, subject to supervision or examination by federal or state authority, and registered as a transfer agent with the Securities and Exchange Commission. If such corporation publishes reports of condition at least annually pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. Upon any change in the Paying Agent, the Issuer agrees to promptly cause a written notice thereof to be sent to each Registered Owner affected by the change, which notice shall also give the address of the new Paying Agent, which shall thereafter be the designated Place of Payment.

The terms of the Transfer and Paying Agency Agreement (the "Paying Agency Agreement") with the initial Paying Agent are hereby approved in substantially the form and to the effect presented to the Governing Body on this date, and the Mayor and the Mayor Pro Tem of the Issuer, or either of them, and the Secretary and any Assistant or Acting Secretary of the Issuer, or any of them, are hereby authorized to execute and deliver such Transfer and Paying Agency Agreement.

### SECTION 5.2      *Covenants to Maintain Tax-Exempt Status.*

A.      *Not to Cause Interest to Become Taxable.* The Issuer shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction, or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which, if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Issuer shall have received a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond pursuant to Section 103 of the Code, the Issuer agrees, covenants and represents that:

B. *No Private Use or Private Payments.* Prior to the last maturity of the Bonds, whether by Stated Maturity or earlier redemption, (i) the Issuer shall not use or permit the use of Gross Proceeds (or any property acquired, constructed, or improved with Gross Proceeds) directly or indirectly in any Private Business Use, or (ii) the Issuer shall not directly or indirectly impose or accept any charge or other payment for use of Gross Proceeds (or use of any property acquired, constructed, or improved with Gross Proceeds) in any Private Business Use unless such charge or payment consists of taxes of general application within the Issuer or interest earned on temporary Investments acquired with Gross Proceeds pending application of such Gross Proceeds for their intended purposes. "Private Business Use" means any trade or business carried on by any Person, or any activity of any Person other than a natural person, in each case excluding state and local governments, unless such use is merely as a member (and, except possibly for the amount of use and any corresponding rate adjustment, is extended by the Issuer on the same terms as to all other members) of the general public.

For purposes of this Subsection B, property is considered to be "used" by a Person if:

(1) *Sale or Lease:* it is sold or otherwise disposed of, or leased, to such Person;

(2) *Management Contract:* it is operated, managed, or otherwise physically employed, utilized, or consumed by such Person, excluding operation or management pursuant to an agreement which meets the conditions described in Rev. Proc. 97-13;

(3) *Capacity, Output, or Service Commitment:* capacity in or output or service from such property is reserved or committed to such Person under a take-or-pay, output, incentive payment, or similar contract or arrangement;

(4) *Preferential Service:* such property is used to provide service to (or such service is committed to or reserved for) such Person on a basis or terms which (except possibly for the amount of use and any corresponding rate adjustment) are different from the basis or terms on which such service is provided (or committed or reserved) to members of the public generally;

(5) *Developer:* such Person is a developer and a significant amount of property acquired, constructed, or improved with proceeds from the sale of the Bonds serves only a limited area substantially all of which is owned by such Person, or a limited group of developers, unless such property carries out an essential governmental function, use by such Person is during an initial development period, and such property is developed and sold to (and occupied by) members of the general public in accordance with the Regulations; or

(6) substantial burdens and benefits of ownership of such property are otherwise effectively transferred to such Person,

but the temporary investment of Gross Proceeds pending application for their intended purpose shall not constitute "use" of Gross Proceeds.



C. *No Private Loan.* Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the Issuer shall not use Gross Proceeds of the Bonds to make or finance loans to any Person other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if (1) property acquired, constructed, or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes, (2) capacity in or service from such property is committed to such Person under a take-or-pay, output, or similar contract or arrangement, or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed, or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

D. *Not to Invest at Higher Yield.* Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the Issuer shall not, at any time prior to the final Stated Maturity of the Bonds, directly or indirectly invest Gross Proceeds of the Bonds in any Investment Property (or use such Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Issue Date of all Investment Property acquired with such Gross Proceeds (or with money replaced thereby) whether then held or previously disposed of, exceeds the Yield of the Bonds.

E. *Not Federally Guaranteed.* Except to the extent permitted by Section 149(b), as amended by The American Recovery and Reinvestment Act of 2009 (the "2009 Act"), of the Code and the Regulations and rulings thereunder, the Issuer shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

F. *Information Report.* The Issuer shall timely file with the Secretary of the Treasury the information required by Section 149(e) of the Code with respect to the Bonds on such form and in such place as such Secretary may prescribe.

G. *Payment of Rebatable Arbitrage.* Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder, the Issuer shall:

(1) account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of such accounting for at least six years after the final Computation Date. The Issuer may, however, to the extent permitted by law, commingle Gross Proceeds of the Bonds with other money of the Issuer, provided that the Issuer separately accounts for each receipt and expenditure of such Gross Proceeds and the obligations acquired therewith.

(2) calculate the Rebatable Arbitrage with respect to the Bonds, not less frequently than each Computation Date, in accordance with rules set forth in Section 148(f) of the Code, Treas. Reg. § 1.148-3, and the rulings thereunder. The Issuer shall maintain a copy of such calculations for at least six years after the final Computation Date.

(3) as additional consideration for the purchase of the Bonds by the Purchasers thereof and the loan of the money represented thereby, and in order to induce such purchase by measures designed to ensure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, pay to the United States the amount described in paragraph (2) above at the times, in the installments, to the place, in the manner and accompanied by such forms or other information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and

(4) exercise reasonable diligence to assure that no errors are made in the calculations required by paragraph (2) and, if such error is made, to discover and promptly to correct such error within a reasonable amount of time thereafter, including payment to the United States of any intent and any penalty required by Treas. Reg. § 1.148-3(h).

To the extent authorized by law, when used herein the term "interest" includes all payments due to the United States of America pursuant to this Subsection. The Issuer shall not invest Gross Proceeds in amounts and for such period of time such that the amounts due to the United States of America pursuant to this Section, when aggregated with other interest payable on the Bonds, shall cause the "net effective interest rate" on the Bonds, to exceed 15% per annum.

H. *Not to Divert Arbitrage Profits.* Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the Issuer shall not, at any time prior to the earlier of the final stated maturity or final payment of the Bonds enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (H) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

I. *Elections.* The Issuer hereby directs and authorizes the Mayor, Mayor Pro Tem, Secretary, Manager, Attorney, or Director of Finance of the Issuer, either or any combination of the foregoing, to make such elections in the Bond as to Tax Exemption or similar or other appropriate certificate, form, or document permitted or required pursuant to the provisions of the Code or Regulations as they deem necessary or appropriate in connection with the Bonds. Such elections are deemed made on the Issue Date.

J. *Qualified Tax-Exempt Obligations.* The Issuer hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of section 265(b) of the Code. In connection therewith, the Issuer represents (a) that the aggregate amount of tax-exempt obligations issued by the Issuer during calendar year 2016, including the Bonds, which have been designated as "qualified tax-exempt obligations" under section 265(b)(3) of the Code does not exceed \$10,000,000, and (b) that the reasonably anticipated amount of tax-exempt obligations which will be issued by the Issuer during calendar year 2016, including the Bonds, will not exceed \$10,000,000. For purposes of this Section, the term "tax-exempt obligation" does not include "private activity bonds" within the meaning of section 141 of the Code, other than "qualified

501(c)(3) bonds" within the meaning of section 145 of the Code. In addition, for purposes of this Section, the Issuer includes all governmental units which are aggregated with the Issuer under section 265(b) of the Code.

### SECTION 5.3            *Remedies in Event of Default.*

In addition to all the rights and remedies provided by the laws of the State of Texas, the Issuer covenants and agrees particularly that in the event the Issuer (a) defaults in the payments to be made to the Debt Service Fund, or (b) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Ordinance, the Registered Owners of any of the Bonds shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the Issuer and other officers of the Issuer to observe and perform any covenant, condition, or obligation prescribed in this Ordinance.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedies herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

## ARTICLE SIX DEFEASANCE

### SECTION 6.1      *Discharge of Obligations.*

Any Bond is deemed paid and is no longer considered to be a Bond within the meaning of this Ordinance when payment of the principal of and interest on such Bond to the Stated Maturity thereof or (if notice of redemption has been duly given, irrevocably provided for, or waived as provided herein) to the Redemption Date has been made or has been provided for by deposit with the Paying Agent or an escrow agent for such payment (or with any other bank or trust company which has agreed to hold the same for such purpose) (1) money sufficient to make such payment, (2) Governmental Obligations certified by an independent public accounting firm of national reputation to be of such maturities and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to make such payment, or (3) a combination of money and Governmental Obligations together so certified sufficient to make such payment, provided that all the expenses pertaining to the Bonds with respect to which such deposit is made have been paid or the payment thereof provided for to the satisfaction of the Paying Agent (and to such other bank or trust company).

If such deposit is made with respect to some but not all of the Bonds then Outstanding, the Issuer shall designate the Stated Maturities of Bonds with respect to which such deposit is made. If such deposit is sufficient so to provide for the payment of the principal of and interest on some but not all Outstanding Bonds of a particular Stated Maturity so designated, the Paying Agent shall select the Outstanding Bonds of such Stated Maturity with respect to which such deposit is made by such random method as the Paying Agent deems fair and appropriate and which may provide for the selection of portions (equal to and leaving unredeemed an authorized denomination) of Bonds a denomination larger than \$5,000.

Notwithstanding anything herein to the contrary, no such deposit has the effect described in this Section (a) if made during the subsistence of a default in the payment of any Bond unless made with respect to all of the Bonds then Outstanding or (b) unless accompanied by an opinion of counsel of recognized standing in the field of federal income taxation to the effect that neither such deposit nor the investment thereof adversely affects the excludability of interest on any Bond from the gross income of any owner thereof for federal income tax purposes.

The Paying Agent (or other bank or trust company) with which a deposit is made of money and Governmental Obligations for such purpose shall hold the deposit in a segregated account in trust or escrow for the Registered Owners of the Bonds with respect to which such deposit is made and, together with any investment income therefrom, the deposit may be disbursed solely to pay the principal of and interest on such Bonds when due, except that cash receipts may be withdrawn and paid to the Issuer provided the date and amount of such withdrawals are taken into account in the most recent verification of the accounting firm referred to in this Section. No money or Governmental Obligations so deposited may be invested or reinvested unless in Governmental Obligations and unless such money and Governmental Obligations not invested and such new investments are together certified by an independent

public accounting firm of national reputation to be of such amounts, maturities, and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to make such payment.

At such times as a Bond is deemed to be paid hereunder, as aforesaid, it is no longer entitled to the benefits of this Ordinance, except for the purposes of any such payment from such money or Governmental Obligations and for the provisions of Sections 1.4 and 1.7 and for the continuing compliance of the Issuer with the provisions of Section 5.2.

Provided, however, the Issuer has reserved the option, to be exercised at the time of the defeasance of the Bonds, to call for redemption at an earlier date those Bonds which have been defeased to their maturity date, if the Issuer (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption, (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm bank and financial arrangements, and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

*[The remainder of this page intentionally left blank.]*

## ARTICLE SEVEN SALE

### SECTION 7.1        *Sale of the Bonds; Bond Purchase Agreement.*

The sale of the Bonds to \_\_\_\_\_ (the "Purchasers"), having all the rights, benefits, and obligations of a Registered Owner), at the price of \$ \_\_\_\_\_ (representing the par amount of the Bonds, plus a net reoffering premium of \$ \_\_\_\_\_ and less an underwriters' discount of \$ \_\_\_\_\_), plus accrued interest on the Bonds calculated on the basis of a 360-day year of twelve 30-day months from the dated date of the Bonds to the date of Closing, is hereby approved and confirmed in accordance with the terms and conditions set forth in the Bond Purchase Agreement presented to the Governing Body on the date of adoption of this Order, which terms and conditions are hereby found and determined to be the most advantageous reasonably obtainable by the Issuer. The Mayor and the Mayor Pro Tem of the Governing Body, or either of them, are hereby authorized and instructed to execute and deliver the Bond Purchase Agreement substantially in such form and to such effect for and on behalf of the Issuer and as the act and deed of the Governing Body.

The representations and warranties of the Issuer set forth in the Bond Purchase Agreement are hereby found, determined, and declared to be true and correct, and the Mayor, Mayor Pro Tem, Secretary, and any Acting Secretary of the Governing Body, or any of them, are hereby authorized and directed to furnish such information, execute such instruments, and take such action as is necessary to comply with the terms, conditions, and agreements specified in the Bond Purchase Agreement or to effect the issuance of the Bonds.

### SECTION 7.2        *Payment of Costs of Issuance; Engagement of Bond Counsel.*

The Issuer has in consultation with its financial advisor, BOSC, Inc., set aside an amount of the proceeds of the Bonds to pay Costs of Issuance of the Bonds. The amount of such proceeds will be designated in a closing letter prepared by the financial advisor, and in the absence of contrary written instructions included as part of such closing letter to deposit such proceeds with the Issuer, the Paying Agent will pay such costs of issuance on behalf of the Issuer in accordance with invoices which conform to the instructions in the closing letter.

The Issuer hereby confirms engagement of Johnson Radcliffe Petrov & Bobbitt PLLC as Bond Counsel ("Bond Counsel") for the Issuer.

*[The remainder of this page intentionally left blank.]*

ARTICLE EIGHT  
CONTINUING DISCLOSURE UNDERTAKING

SECTION 8.1        *Definitions.*

As used in this Article, the following terms have the meanings ascribed to such terms below:

"EMMA" means the Electronic Municipal Market Access system.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time or officially interpreted by the SEC.

"SEC" means the United States Securities and Exchange Commission.

SECTION 8.2        *Annual Reports.*

The Issuer shall provide annually within six (6) months after the end of each fiscal year ending on or after December 31, 2015, certain updated financial information and operating data to the MSRB's EMMA system. The information to be updated includes all quantitative financial information and operating data of the general type included in the Private Placement Memorandum. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles set forth in the Private Placement Memorandum, or as may otherwise hereafter be established consistent with Texas law and Generally Accepted Accounting Principles, and (2) audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not so provided, then the Issuer shall provide audited financial statements for the applicable fiscal year to the MSRB's EMMA system, when and if audited financial statements become available but if such audited financial statements are unavailable the Issuer will provide such financial statements on an unaudited basis within the above-described six-month period.

If the Issuer changes its fiscal year, it will notify the MSRB's EMMA system of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section.

SECTION 8.3        *Material Event Notices.*

The Issuer shall notify the MSRB's EMMA system, in a timely manner, not in excess of ten (10) business days after the occurrence of the event, of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws:

1.        Principal and interest payment delinquencies;
2.        Non-payment related defaults, if material;

3.     Unscheduled draws on debt service reserves reflecting financial difficulties;
4.     Unscheduled draws on credit enhancements reflecting financial difficulties;
5.     Substitution of credit or liquidity providers, or their failure to perform;
6.     Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;
7.     Modifications to rights of holders of the Bonds, if material;
8.     Bond calls, if material, and tender offers;
9.     Defeasances;
10.    Release, substitution, or sale of property securing repayment of the Bonds, if material;
11.    Rating changes;
12.    Bankruptcy, insolvency, receivership, or similar event of the Issuer, which shall occur as described below;
13.    The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14.    Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Issuer shall notify the MSRB's EMMA system, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with Section 8.2 by the time required by such Section.

#### SECTION 8.4           *Limitations, Disclaimers, and Amendments.*

The Issuer shall be obligated to observe and perform the covenants specified in this Section with respect to the Issuer and the Bonds while, but only while, the Issuer remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Issuer in any event will give the notice required by Section 8.3 of any Bond calls and defeasance that cause the Issuer to be no longer such an "obligated person."



The provisions of this Section are for the sole benefit of the Registered Owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the financial results, condition, or prospects of the Issuer or the State of Texas or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the Issuer in observing or performing its obligations under this Section shall constitute a breach of or default under this Order for purposes of any other provision of this Order.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Registered Owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Order that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a Person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Registered Owners and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the Issuer if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the Issuer's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b)

an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

[EXECUTION PAGE FOLLOWS]

PASSED AND ADOPTED on December 14, 2015

CITY OF WEST UNIVERSITY PLACE, TEXAS

---

Mayor

ATTEST:

---

City Secretary

# FUTURE AGENDA ITEMS

Shaded items are on immediate agenda.

Date	Item	Synopsis & Recommendation
12/14/15	Approval of Bond Sale	Matters related to the City's bond sale. <i>Recommended Action: Discuss and take any desired action. Ms. Rhonda Daugherty, Finance Director</i>
01/04/15	Facilities Master Plan Task Force Workshop	Matters related to the Facilities Master Plan Task Force, including but not limited to, the scope, composition and other related topics. <i>Recommended Action: Discuss and take any desired action. Bob Kelly and Mardi Turner</i>
TBD	Video Distribution of Council and Board Meetings	Matters relating to the availability of City Council and Board/Commission meetings by internet video. Discuss and take any desired action.
TBD	Town Center Zoning	Matters related to Town Center Zoning. <i>Recommended Action: Discuss and take any desired. City Council</i>
TBD	Parkland Acquisition and Funding (Workshop)	Matters related to an update on parkland acquisition, development and funding. <i>Recommended Action: Discuss and take any desired action. Mr. Tim O'Connor, Parks and Recreation Director</i>
TBD	BCycle Station	Matters related to a BCycle station in West U that would provide good access to Rice Village. <i>Recommended Action: Discuss and take any desired action. Councilmember Brennan Reilly</i>
TBD	Poor Farm Ditch	Matters related to Poor Farm Ditch. <i>Recommended Action: Discuss and take any desired action. Mayor Susan Sample</i>
TBD	Investment Policy	Matters related to amendments to the City's Investment Policy and Investment Strategies. <i>Discuss and take any desired action. Ms. Rhonda Daugherty, Finance Director</i>
TBD	Street Parking and Parking Violations	Matters relating to Parking Etiquette Program, designated drop off zones, parking on sidewalks, and guidance to staff regarding parking violations. <i>Discuss and take any desired action.</i>
TBD	Buffalo Speedway	Matters related to Buffalo Speedway Replacement Project. <i>Mr. Chris Peifer, Interim City Manager</i>
TBD	Evelyn's Park Development	Matters related to the development of Evelyn's park in Bellaire, including possibility of shared parking arrangements with the City of Bellaire for Evelyn's park. <i>Discuss and take any desired action.</i>



# The City of West University Place

*A Neighborhood City*

## **CITY COUNCIL**

Susan Sample, Mayor  
Bob Kelly, Mayor Pro Tem  
Burt Ballanfant, Councilmember  
Brennan Reilly, Councilmember  
Mardi Turner, Councilmember

## **STAFF**

M. Chris Peifer, City Manager  
Alan Petrov, City Attorney  
Thelma Lenz, City Secretary

## **CITY COUNCIL MEETING MINUTES**

The City Council of the City of West University Place, Texas, met in regular session on **Monday, December 7, 2015**, in the Municipal Building, 3800 University, West University Place, Texas beginning at **6:00 p.m.**

Agenda Items were as follows:

**Call to Order.** Mayor Sample called the meeting to order at 6:00 p.m. in the Council Chambers. Council and Staff in attendance were: Mayor Pro Tem Kelly, Councilmembers Ballanfant, Reilly and Turner, City Manager Peifer, City Attorney Petrov, City Secretary Lenz, Public Works Director Beach, Parks and Recreation Director O'Connor, and Police Chief Walker.

Councilmember Turner led the Pledge of Allegiance.

City Secretary Lenz confirmed that the notice of this meeting was duly posted in accordance with the Texas Government Code, Chapter 551.

### **1. Public Comments**

This was an opportunity for citizens to speak to Council relating to agenda and non-agenda items.

**Dianne Wells**, 3804 Coleridge, spoke regarding the new gun laws. She said she recently noticed workman removing the gun prohibition signs from the door of the Community Center and from the door of the library. She said when she spoke to the city manager he informed her that the signs were removed in compliance with the new gun law and that only City Hall would now be gun-free. She said as far as she can tell, this means that anyone carrying a semi-automatic rifle or handgun can walk into any of the other City facilities. She said she doesn't have a fear of a mass shooting, but that she is more concerned about accidental shootings. Ms. Wells urged Council to hold one or more public meetings to address this issue.

### **2. Citizen Star Award**

Matters related to the presentation of a Citizen Star Award.

Parks and Recreation Director O'Connor presented this item to honor resident Bob McLamb, who has dedicated well over 12,000 volunteer hours to the Tri-Sports Association as its president from 2005 – 20015. Mr. O'Connor said while there are many residents that give selflessly of their time and resources, there are only an elite few who have given what Bob has given. He said in his 40

years in Parks and Recreation, Bob is by far the hardest working and most passionate and dedicated youth sports volunteer he has ever worked with and it is has been a pleasure and privilege to know and work with him.

Gregg Thompson, new Tri-Sports president, spoke to say a few words. He said if anyone has been involved with any youth sports in West University, they have been beneficiaries to Bob's handiwork. He said he has had the good fortune of following behind Bob over the last 15 years and he was left with a well-oiled machine. Mr. Thompson said the West U Little League Senior Division recently won the World Series and made their 5<sup>th</sup> trip to Bangor, Maine, and that was Bob's handiwork, as well; so, on behalf of about 5,000 kids that play on the various fields in this community and their families, he thanked Bob for all of his time and efforts.

Mr. McLamb spoke to say that he is very humbled by the award, but said it really serves as a symbol of all the volunteers in the community, which makes him so proud to live here. He said the things that he was involved with would not have happened without the thousands of volunteers or the partnership between Tri-Sports and the City. He thanked this and prior councils and staff for forming and continuing that partnership, because it serves the youth in this community very well.

### **3. Future Agenda Items**

Matters related to future agenda items.

There was no discussion regarding future agenda items.

### **4. Consent Agenda**

All Consent Agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council member requests in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

#### **A. City Council Minutes**

Approve City Council Minutes of the November 9, 2015 and November 16, 2015. *Recommended Action: Approve Minutes.*

#### **B. Temporary Lease Agreement**

Matters related to approving a temporary lease agreement with Calco Contracting, LTD for temporary use the property at 5004 Dincans Street. *Recommended Action: Approve the temporary lease agreement with Calco Contracting, LTD and authorize the city manager to execute the agreement and any subsequent requests for extension or modifications to the lease agreement that does not encumber the City's use of the property beyond the duration of the Upper Kirby District's project.*

Mayor Pro Tem Kelly requested removal of the Minutes from the Consent Agenda for discussion. He said on Page 5, Paragraph 5 of the November 9, 2015 Minutes, where it states "Mayor Pro Tem Kelly said that the Council wants to charge the task force with...and that the church will be building their facility on Milton..." he meant to say Amherst not Milton and requested that it be changed.

Mayor Pro Tem Kelly said in the last Paragraph on Page 6 of the November 9, 2015 Minutes where it begins "Mayor Pro Tem Kelly said now that the church is going to be on Milton Street..." again Milton should be changed to Amherst and requested the change.

Councilmember Reilly said he had a couple of changes, also. On Page 7 of the November 9, 2015 in the first complete paragraph he said there is a reference to “residents”, but it should be “prior City councilmembers”. He said also, in the next paragraph on Page 7, the word “development” should be “develop” and requested the change.

Councilmember Reilly requested that Item 4B, the Temporary Lease Agreement, be pulled for discussion.

Councilmember Reilly said he had inquired with the city manager about this being a very small amount and was it worth doing if it results in damage to the City’s facility that far exceeds the cost of collection. He said it could be that the City spends thousands of dollars to collect money in the event there’s damage. Mr. Reilly said the city manager’s response that he found most valuable was that the City isn’t doing it for the money, but rather to assist residents who have to travel on Bissonnet.

City Manager Peifer explained the project and said the cross streets that intersect with Kirby in the Village area are going to be tied in with new storm sewers and it’s a project that will last about 6 months. He said the City gets first and last month’s rent up front and there is a \$2,500 insurance policy, so we are protected, indemnified and also listed as additional loss payee on the insurance. He said in addition, there is a 30-day cancellation clause and the contractor is required to restore the site to its original condition. He said the contractor also required to secure the site, which protects the contractor and the City.

With no further discussions, separate votes were made on the Consent Agenda items.

Councilmember Turner moved to approve the temporary lease agreement with Calco Contracting, LTD and authorize the city manager to execute the agreement and any subsequent requests for extension or modifications to the lease agreement that does not encumber the City’s use of the property beyond the duration of the project. Councilmember Ballanfant seconded the motion. **MOTION PASSED.**

**Ayes:** Sample, Kelly, Ballanfant, Reilly, Turner  
**Noes:** None  
**Absent:** None

Mayor Pro Tem Kelly moved to amend the Minutes of the November 9, 2015 Minutes to reflect the changes made by him and Councilmember Reilly. Councilmember Reilly seconded the amendment. **MOTION PASSED.**

**Ayes:** Sample, Kelly, Ballanfant, Reilly, Turner  
**Noes:** None  
**Absent:** None

Mayor Sample moved to approve the Minutes of November 9, 2015, as amended (and the Minutes of November 16, 2015). Mayor Pro Tem Kelly seconded. **MOTION PASSED.**

**Ayes:** Sample, Kelly, Ballanfant, Reilly, Turner  
**Noes:** None  
**Absent:** None

5. **Adjourn**

With no further discussion, Mayor Pro Tem Kelly moved to adjourn the meeting at 6:24 p.m. Councilmember Ballanfant seconded the motion. **MOTION PASSED.**

**Ayes:** Sample, Kelly, Ballanfant, Reilly, Turner  
**Noes:** None  
**Absent:** None

Prepared By:

\_\_\_\_\_  
Thelma A. Lenz, City Secretary

\_\_\_\_\_  
Date Approved